



House of Representatives

File No. 839

General Assembly

January Session, 2015

(Reprint of File No. 588)

Substitute House Bill No. 6984
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 15, 2015

AN ACT CONCERNING REVENUE ADJUSTMENT CHARGES FOR WATER COMPANIES.

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subdivision (2) of subsection (c) of section 16-262y of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2015*):

4 (2) After approval of a revenue adjustment mechanism pursuant to
5 subdivision (1) of this subsection, such mechanism shall be authorized
6 by the authority annually thereafter until the [earlier of (A) the sixth
7 year after] later of the sixth year after either (A) the last general rate
8 case, [or] (B) [such time as such company files its next general rate
9 case] the initial establishment of such mechanism by a company, or (C)
10 the company's prior rate case is reopened and either (i) rate levels are
11 reset by the authority, (ii) WICA surcharges are rolled into base rates,
12 or (iii) other authorized changes in rates are made pursuant to a
13 settlement agreement or other action by the authority. After such six-
14 year period, the authority may authorize continuation of the revenue

15 adjustment mechanism for up to an additional three-year period upon
16 request by the company, pursuant to a filing with the authority at least
17 ninety days before the revenue adjustment mechanism is due to be
18 discontinued. The authority shall act on such request within such
19 ninety-day period in an uncontested proceeding. Such company shall
20 file with the authority an annual reconciliation of actual revenues to
21 allowed revenues that shall include a report of the changes in water
22 demands and any measures such company has taken to promote water
23 conservation. As used in this section, "WICA" has the same meaning as
24 "Water Infrastructure and Conservation Adjustment (WICA)", as
25 provided in section 16-262v.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2015	16-262y(c)(2)
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The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill allows private water companies to approve a property owner's application to install a service pipe that extends to the owner's dwelling by crossing intervening properties. The bill also requires water companies, upon approval of such application, to provide notice to the Public Utilities Regulatory Authority (PURA) of the location of the property. These provisions have no fiscal impact.

House "A" eliminates the original bill and the associated impact and results in the impact described above.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 6984 (as amended by House "A")******AN ACT CONCERNING REVENUE ADJUSTMENT CHARGES FOR WATER COMPANIES.*****SUMMARY:**

This bill extends the potential duration of the revenue adjustment mechanism (RAM) that the Public Utilities Regulatory Authority (PURA) approves for PURA-regulated water companies between a company's general rate cases. In general, a RAM allows a company to reconcile any difference between its PURA-approved revenue and its actual revenue through an annual rate adjustment without going through a full rate case proceeding each year (e.g., if a company earns less than PURA allowed it to earn, it can adjust rates the following year to make up the difference.) The law allows these water companies to implement a RAM between rate cases under certain limited circumstances.

Under current law, when PURA approves a RAM between rate cases, it must be annually reviewed until the earlier of (1) six years after the company's last rate case or (2) the company's next rate case (at which point, the rates are adjusted to provide the company's approved revenue and a new RAM can be approved at the company's request.) The bill instead requires a RAM approved between rate cases to be annually reviewed and authorized until the later of the sixth year after the company:

1. filed its last rate case;
2. initially established a RAM; or
3. has a prior rate case reopened and (a) PURA resets rate levels,

(b) Water Infrastructure and Conservation Adjustment surcharges are rolled into base rates, or (c) other authorized rate changes are made under a settlement agreement or other PURA action.

After the six-year period, the bill allows PURA to extend the company's RAM for an additional three years at the company's request. A company must file a request for an extension at least 90 days before its RAM expires and PURA must act on the request in an uncontested proceeding before the RAM expires.

*House Amendment "A" extends the potential duration of RAMs approved between rate cases instead of extending those approved through rate cases.

EFFECTIVE DATE: October 1, 2015

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 23 Nay 0 (03/24/2015)